

For: State and County Offices

Changes to Member Contribution Software on the System 36 for 2009 and Future Years

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice:

- PL-192 was issued to provide procedure for software modifications to the 2009 and future years System 36 entity and joint operation file software
- PL-200 was issued to clarify member contribution flags and update System 36 screens to reflect 2010 options.

Member contribution flags provide options to designate when member contribution is fully met or when member contribution is not met. An option is required to indicate member contribution is partially met and the percent for which the member meets member contribution provisions.

B Purpose

This notice:

- describes the following:
 - “P” value for member contribution flag
 - calculation of member contribution share
 - changes to Screens MAD541E1, MAD543E1, and MAD544E1
- obsoletes Notice PL-206.

Disposal Date	Distribution
December 1, 2010	State Offices; State Offices relay to County Offices

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2 System 36 Entity File

A Introduction

Software has been updated to provide options in the 2009 and future year entity files to enter both of the following on Screens MAD541E1, MAD543E1, and MAD544E1:

- “P” member contribution flag when the member does not make contributions according to 4-PL, subparagraph 147 A, but the member qualifies on some of the land under landowner provisions in 4-PL, paragraph 62
- “Member Contribution Share” to reflect the eligible percent for the member.

Note: The member contribution share is calculated according to subparagraph B.

Note: The member contribution flag and member contribution share will only be displayed on Screen MAD541E1 for individuals.

The software procedure for member contribution flag and member contribution share will be included in a future 2-PL amendment.

B Calculating Member Contribution Share

Calculate the member contribution share for a member of a legal entity in which only part of the land in the farming operation is owned by the legal entity and the member fails to make contributions according to 4-PL, subparagraph 147 A. The member contribution share shall be calculated as follows:

- total acres of cropland owned by the legal entity, divided by
- total acres of cropland operated/included in the legal entity’s farming operation.

Example: Farms LLC has 2 members, Barbara and Kenneth, that make no contributions according to 4-PL, subparagraph 147 A.

Farms LLC operates 500 acres total. Of the 500 acres, Farms LLC owns 100 acres.

100 divided by 500 equals .2000 member contribution share for Barbara and Kenneth.

The calculation for member contribution share will be included in a future 4-PL amendment.

C Accessing Entity File

Access the entity file to update member contribution determinations on Screens MAD541E1, MAD543E1, and MAD544E1 according to Notice PL-200.

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2 System 36 Entity File (Continued)

D Screen MAD543E1

Software has been modified to allow a value of "P" to be entered in the "Member Contribution Flag" field on Screen MAD543E1.

```
Common Provisions      083-LEFLORE      Update      MAD543E1
Entity Update          Version AA01  01/23/10 10:34 Term J2
-----
                M E M B E R      I N F O R M A T I O N
Name:      FARMS LLC
Type: Corporation          ID: XX-XXXXXXX  E      Share: 1.0000
                Effective Date: 01/01/96      Year: 09

MEMBER  ID and Type:      XXX-XX-XXXX  S
        Entity Type:      Individual
        Name & Address:  BARBARA
                        XXXX DAWN DR
                                LA 70584-

MEMBER  Actual Share:      .2500

Member Contribution Flag: P,

Cmd4-Previous Screen          Press Enter to continue
```

In this example, the user entered "P" member contribution flag because Barbara partially meets member contribution. PRESS "Enter" to display the field for member contribution share.

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2 System 36 Entity File (Continued)

D Screen MAD543E1 (Continued)

Screen MAD543E1 will be redisplayed with the “Member Contribution Share” field. The share entered:

- must be greater than 0 percent and less than 100 percent
- is the percent eligible calculated according to subparagraph B.

```
Common Provisions      083-LEFLORE      Update      MAD543E1
Entity Update          Version AA01   01/23/10 11:15 Term J2
-----
                        M E M B E R   I N F O R M A T I O N
Name:      FARMS LLC
Type: Corporation          ID: XX-XXXXXXX   E   Share: 1.0000
                        Effective Date: 01/01/96      Year: 09

MEMBER   ID and Type:   XXX-XX-XXXX S
          Entity Type:  Individual
          Name & Address: BARBARA
                                XXXX DAWN DR
                                LA 70584-

MEMBER   Actual Share:   .2500

Member Contribution Flag: P
Member Contribution Share: .0000

Cmd4-Previous Screen          Press Enter to continue
Member Contribution must be greater than 0 and less than 1
```

The user shall enter the 20 percent member contribution share calculated according to subparagraph B and PRESS “Enter”. Screen MAD541E1 will be displayed.

Note: The member contribution share is the percent eligible for member contribution provisions and is **not** the member share.

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2 System 36 Entity File (Continued)

E Screen MAD541E1

Screen MAD541E1 will be displayed with member contribution flags and member contribution shares entered on Screen MAD543E1. The member contribution:

- flag will display in the “Cntrb Flag” column
- share will display in the “Cntrb Share” column.

```
Common Provisions 083-LEFLORE Update MAD541E1
Permitted Entity Update Version AA01 01/23/10 11:36 Term J2
-----
MEMBERS OF THE ENTITY
Name: FARMS LLC
Type: Corporation ID: XXXXXXXXXE
Effective Date: 01/01/96 Year: 09
Cntrb Shares Cntrb
# Flag Member Name ID Number Entity Actual Share
001 P BARBARA XXX-XX-XXXX S 01 0.2500 0.2000
002 GARY XXX-XX-XXXX S 01 0.2500
003 FARMS XX-XXXXXXX E 02 0.2500
004 BARBARA TRUST XX-XXXXXXX E 17 0.2500
Total: 1.0000
Enter # to modify: ....
(U)pdate: ..
Cmd7=End Cmd4=Previous Screen
```

Important: The user **must** ENTER “U” at the bottom of the screen and PRESS “Enter” to update the entity file. The message, “Permitted Entity file has been updated”, will be displayed to confirm the entity file has been updated.

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2 System 36 Entity File (Continued)

F Screen MAD544E1

Screen MAD544E1 will be displayed with members of an embedded entity or joint operation. Software has been modified to allow a value of “P” to be entered in the “Cntrb Flag” field.

```
Common Provisions 083-LEFLORE Modify MAD544E1
Entity Update Version AA01 01/23/10 10:19 Term J2
-----
MEMBERS OF THE EMBEDDED ENTITY
Name: AGRI INC ID: XX-XXXXXX E Share: 0.0833
Type: Corporation Effective Date: 01/01/96 Year: 09
Cntrb
# Flag Name ID Number Entity Share Cntrb Share
005 P KENNETH XXX-XX-XXXX S 01 0.0417
006 Y HOMER XXX-XX-XXXX S 01 0.0416

Total: 0.0833

Enter # of Entity to Process .....
or (U)pdate to record changes U

Cmd4=Previous Screen Roll UP/DN
```

In this example, the user entered the following:

- “P” member contribution flag for Kenneth
- “Y” member contribution flag for Homer
- “U” at the bottom of the screen.

PRESS “Enter” to display the member contribution share field.

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2 System 36 Entity File (Continued)

F Screen MAD544E1 (Continued)

After updating the member contribution flags, Screen MAD544E1 will be redisplayed with the member contribution share (“Cntrb Share”) available for the members updated with a “P” member contribution flag (“Cntrb Flag”).

The share entered:

- must be greater than 0 percent and less than 100 percent
- is the percent eligible calculated according to subparagraph 2 B.

```
Common Provisions      083-LEFLORE      Modify      MAD544E1
Entity Update          Version AA01  01/23/10 10:19 Term J2
-----
                M E M B E R S   O F   T H E   E M B E D D E D   E N T I T Y
Name:           AGRI INC                ID: XX-XXXXXXX E      Share: 0.0833
Type: Corporation           Effective Date: 01/01/96      Year: 09
      Cntrb
#  Flag  Name                ID Number      Entity Share      Cntrb
005  P,   KENNETH            XXX-XX-XXXX S   01   0.0417   .20000
006  Y,   HOMER              XXX-XX-XXXX S   01   0.0416
                                           Total: 0.0833
                                           Enter # of Entity to Process , , , ,
Cmd4=Previous Screen  Roll UP/DN      or (U)pdate to record changes U
Member Contribution must be greater than 0 and less than 1
```

The user shall:

- enter the member contribution share calculated according to subparagraph B
- ENTER “U” at the bottom of the screen
- PRESS “Enter” to update.

Important: The user **must** use the update option on every screen until the message, “Permitted Entity file has been updated”, is displayed to update the entity file.

Note: The member contribution share is the percent eligible for member contribution provisions and is **not** the member share.

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3 Action

A State Office Action

State Offices shall:

- follow the contents of this notice
- provide guidance to County Offices about the correct application of procedure in this notice.

B Contacts

State Offices shall contact:

- Deb Krusemark with questions about software for the member contribution flag and share by either of the following:
 - e-mail at **debra.krusemark@wdc.usda.gov**
 - telephone at 202-720-6157
- James Baxa with questions about the calculation of the member contribution share by either of the following:
 - e-mail at **james.baxa@wdc.usda.gov**
 - telephone at 202-720-4189.

C County Office Action

County Offices shall update 2009 and 2010 entity files according to this notice to ensure current DCP and CRP payments are issued properly.